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Permits for iron and steel on the basis of false documents

* 100-G *Q.*—SRI M. KALYANASUNDARAM: Will the Hon. the Minister for Agriculture be pleased to state—

(*a*) whether it is a fact that the Director of Industries (Iron and Steel) reported to the C.I.D., cases of obtaining permits for iron and steel on false and forged certificate during the year 1955;

(*b*) if so, the number of such cases; and

(*c*) the action taken by the C.I.D.?

THE HON. SRI M. BHAKTAVATSALAM: (*a*) Yes, Sir.

(*b*) Six.

(*c*) All the cases are under investigation by the Police.

SRI M. KALYANASUNDARAM: இதற்கு முன் வந்த இரும்பு உருக்கு சம்பந்தமான கேள்விகள்மீது கனம் அங்கத்தினர்கள் போட்ட உப கேள்விகளிலிருந்தே கள்ள மார்கட்டை ஒழிக்கவேண்டியது எவ்வளவு அவசியம் என்பது கனம் மந்திரி அவர்களுக்குத் தெரிந்திருக்கும். ஆனால் போலீஸ் இவ்வளவு தாமதமாக நடவடிக்கை எடுக்கவேண்டிய காரணம் என்ன ? இது விஷயமாக சர்க்கார் துரிதமாக நடவடிக்கை எடுக்குமா என்று அறிய விரும்புகிறேன்.

THE HON. SRI M. BHAKTAVATSALAM: இதில் தாமதம் ஒன்றுமில்லை. கள்ள மார்க்கெட் நடப்பது எப்போது சர்க்காரின் கவனத்திற்கு வந்ததோ, அப்போது சர்க்கார் உடனே போலீஸ் இலாகாவிற்கு அதைத் தெரிவித்து உடனடியாக நடவடிக்கை எடுக்கும்படி சொல்லியிருக்கிறார்கள். ஆனால் போலீசார் அவசரப்பட்டு நடவடிக்கை எடுப்பது சரியல்ல என்பது கனம் அங்கத்தினர்களுக்குத் தெரியும்; ஏனென்றால், போலீசார் அவசரப்பட்டு நடவடிக்கைகள் எடுப்பதுபற்றி கனம் அங்கத்தினர்களே அடிக்கடி புகார் சொல்லியிருக்கிறார்கள்.

Employment for retrenched workers of textile mills

* 100-J *Q.*—SRI N. K. PALANISAMY: Will the Hon. the Minister for Agriculture be pleased to state the steps taken by the Government to give employment in textile mills for the retrenched workers?

THE HON. SRI M. BHAKTAVATSALAM: According to the provisions of the Industrial Disputes Act, retrenched workers of a textile mill will have preference over other persons whenever the employer proposes to take in new hands in that mill. No special steps have been taken to give employment to retrenched workers in textile mills.

MR. SPEAKER: Questions are over.

[*Note.*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—STATEMENT UNDER RULE 40 *RE* THE ALLOTMENT OF FUNDS TO THE MALABAR DISTRICT FROM THE HANDLOOM CESS FUND.

MR. SPEAKER: I have received notice under Rule 40 from Sri K. P. Gopalan calling the attention of the Minister for Agriculture to a matter of urgent public importance, namely, the failure of the Government to allot to Malabar district its due share from the Handloom Cess Fund. 10-10 a.m.

Sri K. P. GOPALAN : Mr. Speaker, Sir, I request the Hon. Minister to make a statement regarding the allotment of funds to the Malabar district from the Handloom Cess Fund. I understand that since 1952 the Madras State was allotted about Rs. 5 crores from the Handloom Cess Fund. As far as my information goes, there are about 5,60,000 looms in the State, and out of these 53,000 looms are in Malabar. I understand that the Government have spent recently about Rs. 4 to 5 lakhs for the benefit of the handloom workers in Malabar and that the Hon. Minister has kindly consented to allot Rs. 10 lakhs from the Cess Fund for the co-operative spinning mill in Coimbatore. Even with all this expenditure, there is a feeling among the handloom weavers, the factory owners and the other people of Malabar that adequate amount has not been allotted to Malabar. I understand that even now about Rs. 90 lakhs are due to Malabar from the Cess Fund.

When the Members of the Handloom Board came to Malabar, we made the following suggestions :—

A subsidy be given to handloom weavers at the rate of two annas per rupee of their wages.

Loans should be given to handloom factory owners on a long-term basis.

Calendering plants, sizing institutes and dyeing institutes should be established for the benefit of the handloom industry in Malabar.

My intention in calling the attention of the Hon. Minister to this matter is to make him give the correct figures about the allotments made to Malabar district and to request him to implement the recommendations of the Handloom Workers' Union and the handloom owners in Malabar.

* The Hon. Sri M. BHAKTAVATSALAM : Mr. Speaker, Sir, I would like to make the following statement with reference to the point raised by the hon. Member.

The Government of India are extending financial assistance to the State Governments from the Cess Fund for the development of handloom industry on well defined general principles. Such financial assistance has been received during the last three years from 1953–54 and proposals for such aid during 1956–57 have also been sent to the Government of India. The main lines of development of handloom industry as outlined by the All-India Handloom Board are the following :—

(a) Enlistment of weavers into the co-operative fold;

(b) Provision of working capital to weavers' co-operative societies with a view to ensure continuous work for the weavers;

(c) Promotion of sales of handloom cloth by sanction of rebate on retail and wholesale sales of handloom cloth;

(d) Publicity and propaganda;

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(e) Promotion of quality production of handloom cloth; and

(f) Setting up of co-operative spinning mill.

The needs of the several districts in the State under each of the above items are assessed with reference to the local conditions and the funds allotted to this State from the Cess Fund by the Government of India are distributed among the districts on an equitable basis. I shall now explain how, during the past few years, the Cess Fund schemes have been progressing in the Malabar district.

The total number of looms fixed as target for enlistment in the Malabar district was 2,888 for the years 1954–55 to 1956–57. Up to 30th June 1956, 2,218 looms had been admitted into the weavers' co-operative societies, leaving only a balance of 670 looms. There were only 40 weavers' societies in the district with a membership of 6,451 at the beginning of the Cess Fund schemes in 1953–54. There are now 51 societies with a membership of 8,570. Adequate inducement to the weavers to become members of co-operative societies is extended by way of interest-free loans towards share capital. In the Malabar district, Rs. 55,197–8–0 was allotted for disbursement of share capital loans during the last three years. It has been possible to disburse only Rs. 44,344–6–0 out of this amount. Progress in this direction has not been as satisfactory as in the other districts, as the condition of the handloom weavers in the Malabar district is peculiar. In this district, handloom industry had developed on a factory system under capitalists, reducing the weavers to the status of coolies. The response from these workers to become members of co-operative societies had not been good. Latterly, with the closure of some of the handloom factories, due to labour disputes, a novel experiment of making such workers also as owners of the factory on a co-operative basis was devised. 10-20 a.m.

The Madras State Co-operative Bank and the District Co-operative Banks are the agencies through which the loan from the Cess Fund towards working capital of the weavers' societies is disbursed. Out of a sum of Rs. 108·20 lakhs placed at the disposal of the Madras State Co-operative Bank for all the districts in the State, it allotted Rs. 3·45 lakhs to the Malabar Central Co-operative Bank, with reference to the number of looms admitted into the co-operative fold. Actually, the Malabar Central Co-operative Bank made available to the weavers' co-operative societies a sum of Rs. 4·70 lakhs from the Cess Fund and its own resources.

The total sum spent by way of subsidy to recoup rebate allowed on sales of handloom cloth in the State up to date is about Rs. 110 lakhs. A sum of Rs. 4·63 lakhs was disbursed as subsidy to recoup rebate allowed by the weavers co-operative societies, consumers societies, etc., in the Malabar district on wholesale and retail sales of handloom cloth. Malabar district has had its due share with reference to actual sales.

On 30th June 1956, 3 Sales Emporia and 19 Sales depots were functioning in the Malabar district with help from the Cess Fund.

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A Marketing Officer, with his headquarters at Kozhikode, attends to the procurement of good produced by the weavers societies in the district. A Mobile Van is being maintained under the Marketing Officer to arrange for the conduct of propagation and intensification of sales in shandies, fairs and festivals and in interior places. In one Society, viz., the Puduppanam Weavers' Society, a Hawker, subsidised from the Cess Fund, has been appointed to promote the sale of handloom cloth by house to house visits. The sale by Hawkers is an experiment, which will be extended to more societies after some experience.

Six pattern making units were sanctioned for the entire State to promote quality production of handloom cloth. One of these units is at Cannanore on the Malabar district. It has produced samples worth Rs. 16,300 up to 30th June 1956.

Improved appliances and accessories in the shape of 677 reeds, four take-up motion attachments and two pedal looms have been supplied to weavers societies in the district. The free services of Dyer Supervisors have been given to two weavers societies in Malabar.

Proposals for setting up a Co-operative Spinning Mill at Cannanore are under active consideration. The promoters of the Spinning Mill have been asked to raise an initial share capital of Rs. 10 lakhs by the reorganisation of the now defunct Cannanore Producer-*cum*-Consumer Co-operative Society. The balance of share capital and working capital required would be provided from the Cess Fund and by the Industrial Finance Corporation. The working of the Spinning Mill will ensure supply of quality yarn at reasonable prices to handloom weavers and will also act as a stabilising factor in regard to price level of yarn in the locality.

I have mentioned it earlier that owing to the peculiar condition of the handloom worker in the Malabar district much progress could not be made in the enlistment of looms in the co-operative fold in the district. The closing of several handloom factories, two years back, resulted in large scale unemployment among handloom workers in the district. The Government decided to try an experiment of setting up handloom factories on a co-operative basis consisting of persons who were thrown out of work from the private handloom factories. Two factories which had closed down, one at Thottada and another at Chowa were converted into handloom industrial co-operative with financial aid from the Cess Fund. The member-workers are the owners, eliminating capitalists and steady work with regulated wages is assured. A system of bonus on wages earned is also provided for in the scheme. The weavers are given share capital loans to become members and working capital loans are also disbursed. In the initial stages, staff from the Co-operative Department is employed to assist the Board of Directors to run the Industrial Co-operatives on sound lines. An interest free loan of Rs. 68,690 to the Kausalya Industrial Co-operative at Thottada and

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an interest free loan of Rs. 43,612–8–0 to the Lokanath Industrial Co-operative at Chowa have been granted from the Cess Fund. It may be mentioned here that this experiment is the first of its kind in the whole of India. The working of the two Industrial Co-operatives during the past one year and more has justified the expectations. The average monthly income of the worker at Chowa is Rs. 45 to Rs. 60 and the average monthly income of the worker at the other Co-operative is Rs. 55, which is likely to go up to Rs. 75 and more in due course.

Till recently, it was considered that only displaced workers from the handloom factories could be formed into industrial co-operatives. The All-India Handloom Board have since decided that any group of weavers could be formed into Industrial co-operatives and the usual forms of assistance from Cess Fund would be available to them also. Steps are being taken to form a few more industrial co-operatives in Malabar in the near future.

It is evident from what has been narrated so far that the interests of the Malabar district in the matter of development of the handloom industry has not been overlooked. If it has not been possible to achieve better results, it is not due to the neglect on the part of the Government or of their officers but on account of the special features of the industry in the area.

With reference to the Second Five-Year Plan, I have had a discussion with the Union Minister for Commerce and Industry. I may tell hon. Members that already arrangements are made to make a separate allotment under the Second Plan for the benefit of handloom weavers.

Dr. K. B. MENON: Sir, may I ask for information a question arising from the statement?

Mr. SPEAKER: This is not in order. But if the Hon. Minister has no objection, I have no objection either.

Dr. K. B. MENON: Sir, from the statement made by the Hon. Minister, I understand that Malabar is not able to avail fully of the benefit of the Cess Fund because of the peculiar characteristic of the organization of the industry in Malabar. Have the Government any scheme to overcome this difficulty or if the Government have no scheme, will they think of one so that Malabar may avail of the full benefit of the Cess Fund due to her?

* The Hon. Sri M. BHAKTAVATSALAM: The policy and programme are laid down by the All-India Handloom Board and they are approved by the Government of India. This is how the Cess Fund is being administered. With reference to the remedy for the peculiar characteristic of Malabar district handloom weavers, I have already stated that one method that had been followed and adopted was the formation of industrial co-operatives. Two industrial co-operatives have been working very satisfactorily. There are proposals to form more of them.